

AGN. NO.

MOTION BY SUPERVISOR DON KNABE

June 23, 2015

Liberty Community Plaza Lease and Operating Agreement

In October 2013, the Board of Commissioners of the Community Development Commission of the County of Los Angeles (Commission) granted authority to its Executive Director to award a construction contract to Morillo Construction, Inc. to construct the Liberty Community Plaza for total cost of up to \$10,283,649. Previously, in connection with this project, on September 30, 2013, the County transferred \$500,000 in CY PRES I funds to the Commission to pay for the Star Passive Park (landscaping work) as part of this project. On March 1, 2011, the Board of Supervisors approved the transfer of \$18,000,000 from Capital Project Funds to the Commission to pay for development and construction costs. On November 12, 2009, the Board of Supervisors approved the transfer of \$750,000 from the Fourth District Strategic Planning Funds to the Commission to pay for initial predevelopment costs.

The Liberty Community Plaza (formerly known as the Whittier Area Recreation and Family Services Center) is located at 14181 Telegraph Road in unincorporated South Whittier. The 19,000 square foot community center is nearing completion within the project budget and its opening is planned for Summer 2015. The Liberty Community Plaza (Liberty Plaza) is a County-owned property that will be operated in collaboration between the County and Helpline Youth Counseling (HYC).

HYC, a non-profit, public benefit organization, has been providing youth and family counseling services in Los Angeles County since 1967, and has grown to an organization consisting of 61 full time employees with an annual operating budget of \$3.5 million. HYC is slated to occupy approximately 9,039 square feet at Liberty Plaza to further its mission and continue delivering youth and family counseling services to

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County residents. Another approximately 12,800 square feet will consist of community space, exercise rooms, banquet space and other public uses, as well as temporary/unassigned County offices and rooms reserved for Military Veteran's programs, all of which will be managed by HYC. The community space managed by HYC will be made available to the public through a day use permit process administered by HYC in accordance with requirements established by the County, including an approved Day Use Permit form. The site also includes a 5-acre outdoor recreation area including educational gardens, a running/walking track, tot lot, exercise equipment, and an amphitheatre.

Pursuant to a proposed Lease and Operating Agreement between the County and HYC (Agreement), HYC will operate and manage the Liberty Plaza building and grounds and will pay an agreed-upon share of the building's operating expenses. In exchange for HYC's financial contribution to the building operating expenses and HYC's counseling and property management services, County will provide HYC with the use of 9,039 square feet in the building. HYC's responsibilities under the proposed Agreement will include but not be limited to: provision of youth and family counseling services to the surrounding community, issuance of Day-Use Permits for certain public uses (to include the use of alcohol for certain event uses, subject to provision of adequate insurance), the collection of user fees pursuant to the County's approved Day-Use fee schedule, day-to-day maintenance of the building and site, all for the purpose of ensuring that Liberty Plaza is readily accessible to the public. The proposed Agreement will have a five-year initial term, with a potential five-year extension with the concurrence of both parties. Either party will have the ability to terminate the Agreement upon three months advance written notice.

The building operating expenses are projected to be \$35,576 per month, expenses will be split pro rata with HYC, with the County's monthly contribution to be capped at \$23,000 per month for the initial five-year term of the proposed Agreement (after which time further County contribution will be subject to negotiation). As Liberty Plaza is new construction with no use or maintenance history on which to base projections, the actual building operating expenses may differ from the projected building operating expenses resulting in different contribution amounts from HYC and the County, subject to the County's maximum monthly contribution of \$23,000. The County's portion of fees for five years, totaling \$1.3 million dollars will be held in a reserve to be allocated to Helpline. Day-Use Permit fees collected from users of the site will also be used to offset contributions from HYC and the County. The operations budget for the facility will be monitored and administered by the County, and the proposed Agreement will include provisions for, at a minimum, quarterly financial reporting by HYC as well as audit rights in favor of the County.

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I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS, ACTING AS THE COMMISSIONERS OF THE COMMUNITY DEVELOPMENT COMMISSION:

1. Authorize the Executive Director to transfer up to \$1,300,000 of unused interest funds accrued from this project from the sources identified above into an account held by the County for purposes of Operating and Maintaining the above mentioned project;
2. Authorize the Executive Director or his designee to amend funding agreements and/or other related documents to transfer the funds to the County.

I FURTHER MOVE THAT THE BOARD OF SUPERVISORS:

1. Find that the Community Development Commission previously adopted a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Plan on October 8, 2013, and that the issuance of a five-year Lease and Operating Agreement to Helpline Youth Counseling for the use of the County-owned property known as Liberty Plaza Community Center is within the scope of such previously adopted Mitigated Negative Declaration and Mitigation Monitoring and Reporting Plan for purposes of the California Environmental Quality Act (CEQA);
2. Pursuant to Government Code 26227, find that a portion of Liberty Plaza is not needed for County purposes during the proposed Agreement term, and that the youth and family counseling services provided by Helpline Youth Counseling to the local community serve public purposes that benefit the County and its residents;
3. Instruct the Mayor to execute, upon presentation, a Lease and Operating Agreement with Helpline Youth Counseling, Inc. in a form substantially similar to that attached hereto and approved as to form by County Counsel, designating Helpline Youth Counseling to act as the agent of the County for issuing Day-Use Permits and collecting use fees related thereto in accordance with the attachments to the Agreement; and

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4. Authorize the Interim Chief Executive Officer to accept from the Commission and establish an interest-bearing trust fund for \$1,300,000, for the purposes described above;
5. Authorize the Interim Chief Executive Officer or her designee to execute or amend funding agreements and/or other related documents as may be necessary in order to allow County to receive funds from the Commission or to otherwise effectuate the project.

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